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Hard money, honest
money, money provided...

[S.I.]

[1895]

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v.80 Hard money, honest money, money provided for
by the Constitution, more of it.
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Hard money, Honest money, Money provided for by the Constitution, more of it.

Such is the money demanded by the people.

During the last two weeks every shipment of gold has caused, as it did in 1893, a fall in the prices of wheat, corn, cotton, tobacco, &c., &c., and increased stagnation in business. The facts stated in these few words mean a positive loss of many millions of dollars to the citizens of the United States, and especially to farmers and planters. The cause of gold being shipped out of the country and the hoarding of gold: Is from a want of confidence in the value of the present currency of the United States. The uncertainty whether a silver dollar will be tomorrow as good as a gold dollar or only worth fifty cents.

The United States Government has outstanding, in round numbers, a billion of dollars of money obligations, exclusive of bonds, and has publicly pledged itself to keep the silver dollar equal in value to the gold dollar, and to give a gold dollar for a silver one when demanded. Yet the United States has, all told in its Treasury of gold coin and bullion on 1st Feb'y \$101,297,745
Less outstanding gold certificates 52,660,779

\$48,636,966

say a reserve of gold of only \$48,636,966, or only \$4.87 (four dollars and eighty seven cents) of the world's lawful money to each one hundred dollars of its currency obligations.

History of the past records that no Nation has prospered under a depreciated currency. Under the present laws of the United States, the Treasury is obliged to pay gold for legal tender notes, and to reissue the notes. Also he is obliged to pay gold for Sherman coin notes, which notes he has the option to reissue or cancel when paid. He is also obliged to pay the interest on United States bonds, and to redeem gold certificates with gold. He is also obliged to give gold in exchange for silver dollars, when presented. The Sherman coin notes and the silver certificate notes are receivable for custom duties and public dues. Nearly all of the money received by the Treasurer is either silver certificates or coin notes.

There is plainly no provision for gold being paid unto the Treasury, and, in fact, little or no gold is paid into it. Of the moneys received by the United States Treasury in the past month of January, 1895, only seven-eighths of one per cent. were paid in gold.

The Treasurer is obliged, by law, to pay gold; yet he receives none, and has, at present no other way of getting gold than by selling new United States Bonds.

President Cleveland, in his message, states that on November 1st, 1894, "The money of all kinds in circulation, or not included in the Treasury holdings, was \$1,672,093,888 or \$24.27 per capita." It is respectfully submitted, that the annual average of net cash daily balances at the close of each day's business. In all banks—savings banks and other places of money deposits, and all kinds of business that keep a daily reserve of money not deposited in

banks, together with money hoarded, should be deducted from the amount said to be in active circulation.

The money panic of 1893 proved clearly that there was not sufficient currency in the United States to stand the strain of a money panic.

It is doubtful if the average of money in actual circulation, in the United States, is ten dollars per capita, and it is probably less.

The Secretary of the Treasury estimated in his report, "That there was in the United States, gold in coin and bullion \$627,293,201," very little of it, except what was held by the Treasury, being in circulation.

A nation is rich in money in proportion to the amount of lawful money held by its citizens. France has only gold and silver in circulation, and has, apparently, less trouble with her finances than other Nations. Hoarding money by the rich and by masses is condemned. Yet it is a fact of human nature, that the masses of people will try harder to retain gold and silver in their possession than paper money. There is an intrinsic and attractive value in metal coins, more than there is in paper money. France on several occasions, has, when in need of money, reaped the benefit of this fact by easily borrowing large amounts from her own people. A few years ago, when the Bank of England, to prevent a panic, undertook to liquidate the affairs of Baring Bros.,—it found the load a heavier one than estimated. The money markets, in Europe, became very unsettled, and, to prevent a general money panic in Europe, the Bank of France voluntarily loaned the Bank of England 3,000,000 sterling gold. To prevent the panic in the United States, the Banks of New York issued clearing house certificates. *The desired point in the United States is to have gold and silver in circulation among the masses of its citizens.* For many years the result of financial legislation in the United States has been to have a paper, instead of a coin currency.

It has proved to be a mistake. An elastic paper money is attractive and convenient to Banks and others handling large amounts; but the people are not willing to give Banks the power of regulating the amount of money in circulation.

National Banks, with clearing house certificates, such as was issued in 1893, can, with safety, give temporary aid in time of need.

A very large majority of the citizens of the United States are working people, wage-earners, and this class includes farmers. They demand "Honest money and more of it in circulation." Their interests and wishes should be considered before the interests and convenience of the Banks.

The demands of the people can be met by paying off the legal tenders and coin notes in gold, and the silver certificates in silver.

To increase the currency, the silver bullion bought under the Sherman act can be coined and additional silver bought. But to make the silver honest money, until other Nations join the United States in remonetizing silver, a safe reserve of gold coin, say of not less than thirty per cent of all the silver coined, and issued, must be held in the Treasury to exchange for silver when demanded. With the legal tender and coin notes out of the way, all payments into the Treasury would be either gold or silver.

If the above statements are correct, it is respectfully suggested that Congress will, without further delay, enact a law to cover the following points:

A Bill for Hard Money, Honest money, and more of it.

1st.—The Secretary of the Treasury of the United States shall as early as possible sell a sufficient quantity of United States bonds for gold to redeem the outstanding legal tender and coin notes; and shall redeem and destroy the said notes as fast as possible.

2nd.—The lawful legal tender money of the United States shall be gold and silver.

3rd.—The Treasurer of the United States shall keep the two coins at parity, and shall on demand give gold for silver and silver for gold.

4th.—All debts or dues by the United States that are one hundred dollars or less shall be paid in silver.

5th.—The Secretary of the Treasury shall establish such additional branches of the Sub-Treasury in such States as he may think necessary for the payments of public dues, and for receipts of public money, and for the interchange of silver and gold.

6th.—The Secretary of the Treasury shall redeem all silver certificates as they are received by him, with the silver dollars now in the Treasury and shall destroy the certificates.

7th.—The Treasurer may at his option issue silver certificates in denominations of not less than ten dollars, for silver dollars deposited with him, payable in silver, but, the said certificates shall not be receivable for custom duties or public dues, nor shall they be a legal tender, and shall be destroyed when paid.

8th.—The Secretary of the Treasury shall purchase silver bullion annually to the amount of sixty million of dollars and have it coined into silver dollars or fractions of a dollar. The Secretary of the Treasury shall purchase annually gold bullion to the amount of twenty million dollars and have it coined into five and ten dollar gold pieces. This gold coin shall be retained in the Treasury, to be exchanged only for silver dollars coined under this act.

The Secretary of the Treasury shall have coined into silver dollars or fractions of a dollar, the silver bullion now in the Treasury bought under the Sherman act as fast as the coin notes are paid off and destroyed. When issuing the silver dollars from this bullion, he shall reserve as a special fund in gold, thirty per cent of the amount of the silver dollars issued, to be used only for exchange of silver dollars. All gold bought by the Secretary of the Treasury shall be coined as fast as possible into five and ten dollar gold pieces.

9th.—The minting power of the United States shall be increased so much as needed to meet the requirement of this act.

Feby. 1st 1895.

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